

Remarks/Arguments:

Claims 1-42 stand rejected.

Section 103 Rejections

Claims 1-42 have been rejected as being obvious in view of Ebisawa, Ellis and Muyres. Applicants respectfully submit that this rejection is overcome for the reasons set forth below.

Amended claim 1 includes features which are not suggested by the cited references, namely:

- storing, at a location separate from the user's location, the advertisement data in the user's large-capacity recording medium **prior to receiving advertisement data from a broadcast station**; and **subsequently placing the user's medium at the user's location**; and
- . . . selectively synthesizing the program watched by the user with portions of the advertisement data previously stored in the user's large-capacity recording medium,
- **wherein the advertisement data is stored in the user's large capacity recording medium, prior to purchase of such medium by the user.**

Basis for "the advertisement data stored in the user's large-capacity recording medium, prior to purchase of such medium by the user" may be found in the specification, for example, at page 13, line 17, to page 14, line 1.

As discussed in the previous Response to the Office Action, dated December 13, 2005, claim 1 recites that storing of the advertisement data is performed at a location separate from the user's location. Furthermore, such **storing is performed prior to receiving advertisement data from a broadcast station**. Claim 1 also recites that **after storing the advertisement data in the**

recording medium, the same recording medium is, subsequently, placed at the user's location.

Claim 1 now further recites that **the advertisement data is stored in the user's large-capacity recording medium, prior to purchasing of such medium by the user.**

The invention advantageously allows the user to purchase a storage medium at a reduced cost, because the user has permitted sets of advertisement data to be separately stored in the user's storage medium. The user then purchases the storage medium at a reduced cost, takes it home and, subsequently, turns the system (storage system) ON to view television programs and other inserted advertisement data.

Ebisawa, on the other hand, discloses a video data receiving apparatus that receives video and advertisement data. As shown in Figure 4, the advertisement data from the broadcasting station is received and stored in unit 207. The user synthesizes the stored advertisement data with the program data, **both having been received from the television broadcasting station.** Ebisawa does **not** disclose **storing separate sets of advertisement data in the user's separate storage medium, prior to receiving the sets of advertisement data from the broadcast station.**

The Examiner states, however, that Ellis discloses storing separate sets of advertisement data in a user's storage medium. The Examiner states that Ellis discloses that advertisements, such as default priority advertisements, may be distributed separately from other advertisements. For example, default priority advertisements may be received and stored earlier for repeated presentation over several days, weeks, months, etc. Furthermore, default priority advertisements **may be stored as part of the application or as part of non-volatile memory.** The Examiner understands this to mean that advertisement data may be stored in the user's storage medium, prior to the user placing the storage medium at his location.

Applicants respectfully submit that the Examiner is misinterpreting the disclosure of Ellis. Applicants note that in Figure 1, the user uses a set-top box (70) which is located at the user's location (66). A television distribution facility (56) selects advertisement data that is received either from a local advertisement customer (84) or from a national advertisement customer (82). The television distribution facility (56) then transmits either local advertisement data (84) or national advertisement data (82) for storage by the user, at the user's location. Applicants note that all advertisement data, whether local advertisement data or national advertisement data, **is always received by way of television distribution facility (56) and stored into the user's set-top box (70)**. There is **no** disclosure of the set-top box being programmed with advertisement data and, **then afterwards**, the set-top box being placed at the user's location. There is also **no** disclosure of the set-top box **being purchased by the user, after the advertisement data has been stored in the user's set-top box**.

Applicants respectfully submit that when Ellis states that default priority advertisements may be stored as part of the application or as part of the non-volatile memory, he means that the set-top box includes an application program or non-volatile memory for allowing the advertisement data sent from the television distribution facility (56) to be stored within the set-top box. Without the application program and/or without the non-volatile memory, the set-top box would not be able to store such advertisement data.

Accordingly, Ellis teaches that the set-top box, which may be purchased by a user, includes an application program or non-volatile memory at the time of purchase. However, Applicants emphasize that the set-top box does **not** include any previously stored advertisement data that has been stored within the set-top box, before the set-top box is placed at the user's location.

Again, Applicants note that the set-top box has the capability of receiving default priority advertisement data from the television distribution facility but it must do so while the set-top box is at the user's location. There is **no** suggestion of the set-top box having default priority advertisement data stored within the application program or non-volatile memory, prior to being placed at the user's

location **and** prior to having received advertisement data from the television distribution facility, **and** prior to the storage medium having been purchased by the user.

Muyres discloses a method for providing advertising. Customers shop in different stores operated by different vendors, and the advertisements are then presented to them. A master computer is provided to update the inventory, and the advertisements of the inventory. In paragraphs [0011] and [0012] of the background art, Muyres teaches that a **bundled** approach to software delivery, in theory, was quite desirable. This **bundled** approach allowed the consumer to get pre-installed working software. Unfortunately, theory and reality did not mesh well, and the desire of PC manufacturers today is to **reduce the amount of bundled software**. Accordingly, Muyres teaches that bundling of software, or pre-installing software is **not** good for the user. Similarly, bundling of advertisement data in a storage medium before purchase of the medium by the user would be bad for the user. Therefore, Muyres teaches away from pre-installation of advertisement data, before sale to the user.

Paragraph [0012] of Muyres teaches that later purchase of software (i.e., post initial PC sales) remains the overwhelming means by which consumers today obtain software for their PCs. Muyres further teaches in paragraph [0018] that "what is needed today is a new mechanism for the marketing of computer software and services," and the object of his invention is a locally driven advertising system.

Applicants respectfully submit that Muyres does **not** suggest the features of amended claim 1, namely, (a) advertisement data is stored in a recording medium and then (b) the user purchases that recording medium and, subsequently, (c) the recording medium is placed at the user's location, and then (d) the program watched by the user is synthesized with advertisement data previously stored in the user's recorded medium and broadcast programs presently being transmitted by a broadcasting station.

The combined steps of allowing the user to purchase a storage medium (for less money) which already has advertisement data pre-installed in the storage medium, and then synthesizing, or interleaving, that previously stored

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advertisement data with actual programs being transmitted from the broadcasting stations is completely missing from Muyres. In fact, as stated above, Muyres teaches away from such a combination.

Favorable reconsideration is requested.

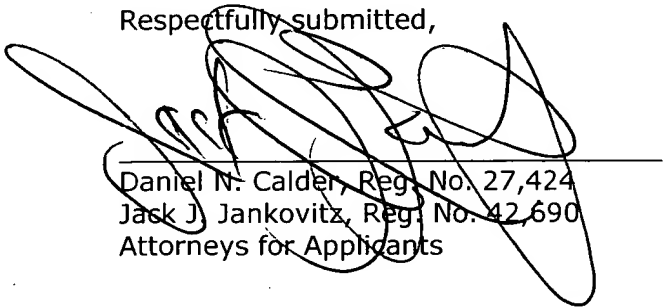
Although not the same, claims 2 and 39 include features similar to amended claim 1. Amended claims 2 and 39 are, therefore, not subject to rejection in view of the cited references for the same reasons set forth for amended claim 1. Favorable reconsideration is requested.

Dependent claims 3-38 depend from amended claims 1 and 2, and dependent claims 40-42 depend from amended claim 39. These claims are, therefore, not subject to rejection in view of the cited references for at least the same reasons set forth for amended claim 1.

Conclusion

Claims 1-42 are in condition for allowance.

Respectfully submitted,



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